

MINUTE ITEM

11/17/66

21. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1466.1, VENTURA COUNTY; ATLANTIC RICHFIELD COMPANY - W.O. 6343.

After consideration of Calendar Item 6 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO ATLANTIC RICHFIELD COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1466.1 THROUGH JUNE 30, 1967, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 6 (1 page)

## 6.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1466.1, VENTURA COUNTY; ATLANTIC RICHFIELD COMPANY - W.O. 6343.

An application has been received from Atlantic Richfield Company, operator, requesting a deferment of drilling requirements from January 1, 1967, to June 30, 1967, under Oil and Gas Lease P.R.C. 1466.1, containing 1,175 acres more or less of tide and submerged lands in Ventura County. This lease was issued August 29, 1955, to Richfield Oil Corporation (name subsequently changed to Atlantic Richfield Company), pursuant to competitive bidding.

Atlantic Richfield, in developing the lease, has constructed an earth-filled drilling island and drilled 47 producing wells. The last well was completed on February 5, 1961. Forty-four wells are currently producing.

Since October 25, 1960, the Commission has granted deferments of drilling requirements through December 31, 1966.

On November 17, 1964, the State Lands Division approved a proposed pilot water-flood program for this lease. Since that time a water-source well has been drilled on the island, and one well has been taken off production and converted into a water-injection well. Water injection into this well commenced on June 25, 1965, and to date approximately 413,580 barrels of water have been injected into the producing zone. As a result of water injection, production from the fault block being flooded has increased.

An engineering committee, made up of representatives from Atlantic Richfield and the State Lands Division, has been formed to review the past performance of the pilot flood, and to determine the economic and engineering feasibility of expansion into a full-scale water flood. Therefore, to provide additional time for the committee to complete its study and to arrive at a mutually acceptable decision, a six-month deferment of the drilling requirements is requested.

In conformance with current Commission practice of granting deferments of periods not in excess of six months,

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO ATLANTIC RICHFIELD COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1466.1 THROUGH JUNE 30, 1967, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.